

Agriculture Policy Section,  
Priority Credit Wing, Head Office, Bengaluru - 560 002

**Pradhan Mantri Kisan Urja Suraksha evam Uttham Mahabhiyan (PM-KUSUM) Scheme**

Particulars	Scheme guidelines for PM KUSUM
Purpose	<p><b>Component A:</b> Setting up of small Solar or Renewable Energy Power Plants (REPP).  <b>Component B:</b> Installation of Stand-alone Solar Agriculture Pumps.  <b>Component C:</b> Installation of new solarised grid connected Agriculture Pumps &amp; uses the generated solar power to meet the irrigation needs and the excess solar power will be sold to DISCOMs.</p>
Beneficiary	<p><b>Component A:</b> Individual farmers/ group of farmers/ cooperatives/ panchayats/ Farmer Producer Organisations (FPO)/Water User associations (WUA). The beneficiaries are termed as Renewable Power Generator (RPG).  <b>Component B &amp; C:</b></p> <ul style="list-style-type: none"> <li>All Individual farmers are eligible. However priority to be given to small and marginal farmers who are using Micro irrigation systems.</li> <li>WUAs/cluster based irrigation systems are also eligible.</li> </ul>
Eligibility	<p><b>Component A:</b></p> <ul style="list-style-type: none"> <li>Capacity of the REPP is ranging from 500 kW to 2 MW.</li> <li>RPG should have a Power Purchase Agreement (PPA) with DISCOMs which is valid up to 25 years from Commercial Operation Date (COD) of the project.</li> <li>REPP should set up preferably on barren/uncultivable own/lease land.</li> <li>Developer of REPP at lease land should have a net worth more than Rs.1 Crore per MW except REPP developed at own land.</li> </ul> <p><b>Component B &amp; C:</b></p> <ul style="list-style-type: none"> <li>Mandatory to use indigenously manufactured solar panels with indigenous solar cells and modules.</li> </ul> <p><b>Stand-alone Solar Agriculture Pumps:</b></p> <ul style="list-style-type: none"> <li>Subsidy assistance is restricted upto pump capacity of 7.5 HP.</li> <li>Only for replacement of existing diesel Agriculture pumps / irrigation systems in off-grid areas, where grid supply is not available.</li> </ul> <p><b>New solarised grid connected Agriculture Pumps:</b></p> <ul style="list-style-type: none"> <li>Solar PV capacity up to two times of pump capacity in kW is allowed under the scheme.</li> <li>State may specify lower solar PV capacity in kW, which in any case shall be not be less than pump capacity in HP. (e.g. for 2 HP pump it will not be less than 2 kW.)</li> </ul>
Application Sourcing & Installation	<p><b>Component A:</b></p> <ul style="list-style-type: none"> <li>DISCOMs will be short listing the eligible RPGs for setting up REPP.</li> </ul> <p><b>Component B &amp; C:</b></p> <p><b>State Implementation Agency:</b></p> <ul style="list-style-type: none"> <li>DISCOMs /GENCO (Power Generating Companies)/ any other Department designated by State Government will be the implementing agencies.</li> </ul> <p><b>Installation of Agriculture pumps:</b></p> <ul style="list-style-type: none"> <li>Installation shall be completed within 12 months (15 months for Himalayan &amp; NE States) from the date of sanction by MNRE.</li> <li>The vendor of pumps should provide AMC for five years from the date of installation.</li> </ul>

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Subsidy	<p><b>Component A:</b> Subsidy is NIL  <b>Component B &amp; C:</b></p> <ul style="list-style-type: none"> <li>• 30% Central Financial Assistance (CFA) &amp; 30% State Government subsidy.</li> <li>• 50% Central Financial Assistance (CFA) &amp; 30% State Government subsidy for Himalayan &amp; NE States.</li> </ul>
Margin	<p><b>Component A:</b> Margin is 30% of project cost.  <b>Component B &amp; C:</b></p> <ul style="list-style-type: none"> <li>• Margin is 10% of project cost.</li> <li>• In case the State Government provides subsidy more than 30%, the beneficiary share will reduce accordingly.</li> </ul>
Quantum of loan	<p><b>Component A:</b> 70% of project cost enumerated in DPR.  <b>Component B &amp; C:</b></p> <ul style="list-style-type: none"> <li>• 30% of project cost enumerated in DPR (60% subsidy + 10% Margin).</li> <li>• 10% of project cost enumerated in DPR for Himalayan &amp; NE States (80% subsidy + 10% Margin).</li> </ul>
Rate of Interest	Competitive rate of interest is available on loans under the scheme
Security	<p><b>Up to Rs. 1.60 Lakhs:</b>          Hypothecation of assets created out of Bank finance.</p> <p><b>Above Rs. 1.60 Lakhs:</b></p> <ul style="list-style-type: none"> <li>• Hypothecation of Assets created out of our finance.</li> <li>• Mortgage of landed property with Post development security value of minimum 125% of the loan amount.</li> <li>• Tri-partite agreement to be executed between DISCOMS, Borrower and Bank for receipt of sale proceeds of power produced to Escrow Account with our Bank.</li> <li>• <b>Wherever Tri-partite agreement is not executed between DISCOMS, Borrower and Bank for receipt of sale proceeds of power produced to Escrow Account, in addition to the prime security minimum collateral of 50% of sanctioned limit to be obtained.</b></li> </ul>
Repayment	For Component A: 15 Years & for Component B & C: 10 Years, including one year Repayment Holiday. Repayment holiday for both principal and interest. Interest during moratorium to be paid along with future installments. Repayable in monthly/ Quarterly/ Half-yearly/ Yearly installments depending on income generation.
Classification	Priority sector - Agriculture - Farm Credit to Individual farmers